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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING.
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TENANT FARMERS AS COOPERATORS

Tenant farmers have played a larger part in the agricultural cooperative movement than has been generally supposed. It has seemed reasonable to assume that where capital investments in creameries, cheese factories, grain elevators, fruit packing plants, etc., were required it would be the owners of farms who would be the cooperators, and this is probably the case, although recently released data indicate that the tenant farmer has been a large factor in furnishing the products to be marketed cooperatively and in taking the commodities purchased cooperatively.

It has been appreciated that in the Southern States where the tenant farmer is as important numerically as the owner farmer the cooperative associations would have large numbers of tenants included in their memberships. Data collected by the Bureau of the Census as part of the census of agriculture, 1925, indicate that in a number of the Northern States more than one-third of the farmers belonging to cooperatives for selling farm products are tenants, and more than one-fourth of the farmers engaged in cooperative buying are tenants.

The percentage of farmers engaged in cooperative selling who are tenants varies widely for the different states. In New England the figure is less than 7 per cent; while in New York it is more than 15 per cent; in Michigan, more than 17 per cent; and in Indiana, more than 30 per cent. In some of the other states the percentages of tenants among the farmers selling cooperatively is as follows: Missouri, 24; Minnesota, 29; North Dakota, 29; Kansas, 39; South Dakota, 41; Nebraska, 43; Iowa, 44; Illinois, 46; North Carolina, 30; South Carolina, 43; Mississippi, 50.

The percentage of cooperators who are tenants is under 30 for most of the Mountain States, except for Colorado, where it is 43. For California the percentage is but 5, and for Washington, 12.5.

In most states the percentage representing tenants among farmers buying cooperatively is smaller than that of farmers selling cooperatively. California, however, is an exception, as 8.7 per cent of its farmers doing cooperative purchasing are tenants, while but 5 per cent of its farmers engaged in cooperative marketing are tenants.

SATISFACTORY SEASON REPORTED BY SOWEGA MELON ASSOCIATION

"A satisfactory season" is reported by the management of the Sowega Melon Growers' Association, Adel, Ga.. While more cars were shipped this season than a year ago the shipments were over a longer period and at no time was there an excess supply and the comparatively steady flow resulted in a healthy market condition. In all, the association handled 2,668 cars, for which the growers received the net sum of \$487,481, an average of \$182 per car.

A large part of the ten per cent retained by the association for losses and adjustments will be returnable to the growers as these expenses were comparatively low this season. The final accounting is now in progress and it is expected that approximately eight per cent of this retain will be returned to the growers.

Growers of southern Alabama have sent a representative to learn how they may gain admission to the association, and two more districts in Florida have invited the association to extend its territory for their benefit.

Shipments by this association and its predecessor, the Southwest Georgia Watermelon Growers' Association, since 1923 have been as follows: 1923, 615 cars; 1924, 3,584; 1925, 1,827; 1926, 2,108.

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FIFTEEN YEARS OF APPLE MARKETING

The Spokane Valley Growers Union, Opportunity, Wash., closed its 15th year of operation on April 30, 1927. During the 15 years it has marketed for its members 1,473,997 packed boxes of apples. In the last year it marketed 49,619 packed boxes and 20,486 crates of culls for the membership, also 21,472 boxes for other organizations. More than one-third of the apples handled for members were of the Rome Beauty variety. More than one-fourth of the apples were Jonathans and about one-eighth were Winter Bananas.

The packing expense for the last year amounted to 30 cents a box and the overhead selling expense to 10 cents a box.

At the close of the business year the association had 317 shareholders holding 821 shares of stock of the par value of \$100.

The fixed assets of the Union had a depreciated value of \$97,879. The capital stock and surplus at the end of the year amounted to \$103,701. Supplies on hand at the close of the year were valued at \$20,808. These supplies included box shock, crates, packing house supplies and insecticides.

The Union expense per box has varied from less than 23 cents in 1913-14 to more than 48 cents in 1920-21.

(Additional information regarding this enterprise is given in Agricultural Cooperation for March 26, 1923 and September 28, 1925.)

NINE YEARS OF COOPERATIVE POTATO MARKETING IN MICHIGAN

Fifty-nine delegates representing local units of the Michigan Potato Growers' Exchange, made up the voting membership of the ninth annual meeting of the Exchange held at Cadillac, Mich., August 17 and 18, 1927. The two-day meeting included an educational session, an evening banquet and a business session. The program for the educational session included a description of the set-up and operating methods of the Colorado Potato Growers' Exchange by the general manager of that marketing organization, a discussion of the use of marketing contracts by an attorney specializing in cooperative matters, and an illustrated talk regarding potato marketing by a member of the sales force of the Exchange.

More than 300 persons interested in the Michigan potato industry attended the banquet session at which many topics of current interest were discussed.

The business meeting resulted in the continuation of the present board of directors and the present officers. The activities of the Exchange during its ninth year, as reported by its general manager, included the marketing of 3,013 cars of potatoes, the selling of 61,629 bushels of certified seed potatoes, the purchasing of supplies and implements to the value of \$142,007, and the closing of the business year with a cash balance of \$41,529.

The 3,013 cars of potatoes were sold to 509 buyers in 201 cities in 15 states. The best sale for the year was made on June 7, 1927, when a single car load was sold for \$5 per 100 pounds. The highest daily pool price was \$3.99 on June 8 and the lowest daily pool price was \$1.59 on February 26.

An effort was made during the year to secure more buyers in nearby states, in order to avoid the risks involved in hauls to distant points. Salesmen were sent out to make contracts with possible customers, with results highly satisfactory to the management.

A start was made during the year upon a quality program. Certified seed potatoes were delivered to 14 local units which have arranged to have the seed used under the most favorable conditions that an increased quantity of seed may be available for next year. A limited quantity of potatoes of high quality was marketed the past year. One car of fancy stock packed in 60-pound sacks was sold at a price which netted the local unit making the shipment 50 cents a hundred pounds above the pool price for the day of shipment. It is proposed for the coming season to increase the quantity that can be marketed as fancy stock. Fifteen field meetings have been arranged, at which methods for producing the highest grade of table stock will be demonstrated.

The auditing department of the Exchange completed 54 audits for local units during the last business year, it also installed 9 accounting systems.

Claims to the number of 108 amounting to \$8,492 were collected by the traffic department.

Three new local units were added to the Exchange during the year and plans made for a membership campaign during the month of September. It is planned that the soliciting of new members shall be carried on largely by the present membership of the 75 units. Nearly 9,000 potato growers are now members of the units.

Among the supplies bought for members were 808,185 potato bags, 115,000 tags, 6,431 pounds of sewing twine, 2,048 rolls of car lining paper, 15,574 pounds of Paris green, 51,189 pounds of calcium arsenate, 17,346 pounds of arsenate of lead, 1,448 pounds of London purple, 33 high pressure sprayers, 5 hand graders, 1 platform scale, 220 auto tires, and 1,622 pounds of coffee.

A feature of the year was the first Michigan potato tour conducted by the Exchange, the Michigan State College, and the Michigan Crop Improvement Association. The tour started at the Michigan State College, and extended northward into the Upper Peninsula of the state. Ten days were spent in inspecting fields of potatoes which later are to be certified for seed purposes. Sixty out-of-the-state visitors, in addition to county agents, potato growers, and potato buyers, made up the party which varied from day to day as it traveled northward. At one point on the trip 126 automobiles were in line. It is estimated that 1,500 persons, first and last, participated in the tour. The travelers were dined, banqueted and entertained by commercial clubs and other groups interested in the development of the potato industry. The chief purpose of the tour was to stress the efforts being made to improve the quality of the Michigan potato as, quality is to be the main feature in the future marketing program of the Exchange.

The growth of the Exchange during the nine years of its existence is evidenced by the following figures recording potato shipments:

Season	Potatoes marketed		Ratio of Exchange shipments to total state shipments*
	Number of cars	Relative	
			(Per cent)
1918-19	2,118	100	19
1919-20	2,158	102	18
1920-21	3,250	153	19
1921-22	2,439	115	16
1922-23	2,922	138	15
1923-24	3,122	147	15
1924-25	2,867	135	17
1925-26	2,982	141	21
1926-27	3,013	142	--

* As reported by the Exchange.

GRAIN HANDLED BY WHEAT POOLS

The nine active wheat pools in the United States handled over half a million bushels more wheat in 1926-27 marketing season than they did in the preceding one. They handled this larger quantity although there were greatly reduced crops produced in 1926 in several of the States in which the pools operate. Because of a partial crop failure in the spring wheat region the quantities of wheat delivered by the members of the associations in South Dakota, North Dakota and Minnesota were much smaller than for the preceding season.

Four of the pools handled much larger quantities of wheat than in the preceding year. Two of the associations, those serving the wheat producers of Indiana and Texas, received from their members larger quantities of wheat than ever before.

The quantities of wheat reported by the managements of the several associations as received for the two seasons are given in the table below:

Wheat Pool	Marketing season	
	1925-26 (Bushels)	1926-27 (Bushels)
Colorado Wheat Growers' Association	594,473	400,000
Central States Soft Wheat Growers' Association	3,157,952	4,177,452
Kansas Cooperative Wheat Marketing Association	2,631,758	4,005,245
Minnesota Wheat Growers' Cooperative Marketing Association	1,341,958	737,762
Nebraska Wheat Growers' Association	662,421	819,292
North Dakota Wheat Growers' Association	3,202,500	1,300,000
Oklahoma Wheat Growers' Association	2,800,675	2,400,000
South Dakota Wheat Growers' Association	2,100,000	1,100,000
Texas Wheat Growers' Association	341,818	1,300,000
Total	16,823,560	17,452,105

All of the nine pools have been operating for three or more years. Six of the pools were organized in 1922 and have handled nine crops. Two were organized in 1923 and have handled four crops. One association, organized in 1924, handled the crop for that year and for 1925 and 1926.

FARMERS' ELEVATOR ASSOCIATION THIRTY YEARS OLD

The Sheldon Farmers' Cooperative Elevator, Sheldon, Ill., has completed 30 years of cooperative activity. The association was formed in 1897 by about 75 farmers, and at the close of its last business year, May 31, 1927, it owned elevator property with a depreciated value of \$24,452, had outstanding capital stock to the amount of \$22,750 and a surplus of \$5,002. The activities of the last four years are shown below:

Year	Corn	Grain Sold			Grain sales	Merchandise sales*
		Oats	Wheat	Total		
	(Bu.)	(Bu.)	(Bu.)	(Bu.)		
1923-24	178,407	189,135	**34,757	402,299	\$250,714	\$ 9,943
1924-25	172,529	151,478	14,345	338,352	259,832	11,889
1925-26	148,795	146,011	10,195	305,001	182,006	9,355
1926-27	268,853	149,656	18,821	437,330	244,472	14,053

* Coal, feeds and seeds.

** Including 1,217 bushels of rye.

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KANSAS WHEAT POOL ISSUES FINAL FIGURES

Final figures for the 1926-27 pool of the Kansas Wheat Growers' Association, Wichita, show that the total quantity of wheat handled was 4,055,443 bushels, with an average net price to growers of \$1.1038, after deducting all expenses, the two per cent reserve, and average freight and country handling charges. This average price was computed merely for purposes of comparison, as net prices to individual growers varied according to grade and protein classification, deductions for freight and country handling, etc.

The average net price for the pool, Kansas City basis, was \$1.3731. Operating expenses and the two per cent reserve amounted to 12.65 cents per bushel, and freight and country handling charges averaged 14.22 per bushel, leaving \$1.1038. Included in this amount is an item of 2.26 cents, the average cost of holding wheat on the farm. Growers who stored their own wheat were paid according to the length of time the wheat was held. Those who delivered early received no storage, others who stored until December 15 received as much as eight cents. The 2.26 cents is the amount chargeable to each bushel in the pool for farm storage, and is considered as a handling charge rather than as an item of expense.

In making the final payment the association deducted three cents per bushel as a temporary reserve for financing the operations of the association over the end of the year. This contingent reserve is to be paid to members early in the new marketing year.

A HALF MILLION DOLLAR RESERVE FUND

As the reserve fund of the Maryland State Dairymen's Association, Baltimore, has now passed the half million mark, the members will begin to receive refunds for the amounts of the deductions made in past years. The first refunds which will be paid before the close of the calendar year will be for the deductions made between February 1, 1921, and July 31, 1921, amounting to about \$35,000. Approximately 2,900 milk producers will participate in this refund. Next year refunds will be made for the deductions made during the business year ending July 31, 1922. The deductions made for the year ending with July of 1923 will be refunded in 1929, and so on. It is proposed that the reserve fund shall be kept at a half million or more in order that money may be available at all times for meeting emergencies.

About 500 members of the association attended the annual meeting held August 27. At this time the more important events of the nine years that the association has been functioning were reviewed and policies for the future were announced.

During the year ending July 31, 1927, the members of the association produced 22,724,273 gallons of milk which sold for \$7,105,880. Of the total quantity of milk, 80.8 per cent was sold as fluid milk and 19.2 per cent as Class 2 or surplus milk. The average price to the producer for the fluid milk on a 4 per cent butterfat basis was 32.67 cents a gallon and the average price for the surplus milk was 26.31 cents a gallon. The weighted average price for all milk was 31.27 cents a gallon, compared with 29.78 cents for the year ending with July of 1926.

Average daily sales of fluid milk in Baltimore were 50,323 gallons the past year, compared with 49,635 gallons the year before. This is an increase of 1.38 per cent.

The association, in cooperation with the Baltimore milk distributors, is conducting an educational campaign in which the food value of milk is stressed. Attention is given to developing the idea in the minds of the younger generation that "better health follows a generous consumption of milk and milk products."

During the past year regulations of the Baltimore City Health Department were extended so as to call for as rigid requirements for milk to be made into ice cream as for milk to be sold for table use. In consequence of the new requirements the ice cream manufacturers contributed \$5,000 to the fund for advertising milk and milk products.

Milk producers serving Annapolis have made application to become members of the Maryland State Dairymen's Association and have agreed that the regulations of the Baltimore Health Department as to dairy herds, conditions of dairy barns, etc., shall be extended to cover the farms producing milk for Annapolis. The association contract is to be signed by the Annapolis producers and the association expects to begin marketing milk in that city on October 1.

OKLAHOMA COTTON ASSOCIATION REDUCES OPERATING EXPENSES

Although a smaller number of bales of cotton was handled by the Oklahoma Cotton Growers' Association, Oklahoma City, in the 1926-27 season than in the 1925-26 season, the cost per bale for marketing was reduced from \$1.89 per bale to \$1.61 per bale, according to a statement prepared as of May 15, 1927. These figures include only the operating expenses of the marketing association, and do not include freight to market, nor the charges for handling the cotton on its way to selling point. The principal savings in 1926-27, as compared with 1925-26, were made in the cost of field service and legal expenses.

Advance drafts were paid on 195,921 bales of cotton of the 1926-27 crop up to August 15, 1927. Practically the entire quantity had been sold by August 15, total receipts from sales, from samples, and from re-weight gains, amounting to \$11,880,344. Growers had been paid in advances, distributions, and final payments, \$10,100,178 up to August 15. In addition the association had paid for freight and patches for members, \$1,090,217. In round figures the members received f.o.b. in cash, 86 per cent of the Houston, Texas, sales value of their cotton.

The number of bales received by the association for each of the six years that it has been operating and the percentage which this number is of the total number of bales reported as ginned for Oklahoma, are as follows:

Marketing season	Bales received		Per cent of total Oklahoma bales
	Number	Relative	
1921-22	91,311	100	19
1922-23	65,868	72	10
1923-24	118,743	130	13
1924-25	141,440	155	9
1925-26	206,442	226	13
1926-27	195,921	214	11

Since its organization, in 1921, the association has collected membership fees to the amount of \$586,250, fees for the settlement of contract violations to the amount of \$123,391 and other items sufficient to make the total receipts of the membership fund \$723,294. The items charged to the fund during the six years have amounted to \$457,396, leaving an unexpended balance of \$265,898. To this has been added \$178,500 advanced from operation, making the total credit balance of the fund \$444,398. Portions of the fund have been invested in land, building, furniture, fixtures, and equipment, and in the share capital of the Agricultural Credit Corporation.

SOUTH CAROLINA COTTON MARKETING PROGRAM

In starting upon the sixth year of marketing the management of the South Carolina Cotton Grower's Cooperative Association, Columbia, announces new policies formulated in behalf of reduced operating expense. Receiving agents for cotton are to be dispensed with, each grower attending to the shipping of his own product. This change, it is estimated, will reduce expenses for the year by \$8,000. Growers are being urged to use at least 500 pounds of cotton for each bale that there may be less tare in the future and that the size of the crop, as measured in bales, may be reduced. It is argued by the management that a 12,000,000 bale crop will sell at a better average price than a 15,000,000 bale crop.

All cotton is to be shipped to the headquarters of the association, where it can be handled, according to estimates made by the management, at a considerable saving in the costs of insurance, storage and classing. Furthermore, it is believed with the cotton concentrated at a single point it will be possible to fill orders more satisfactorily from mills for even running lots of cotton.

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FIFTEEN CENT ADVANCE FOR NORTH CAROLINA COTTON

Fifteen cents a pound, or \$75 for a 500 pound bale, is the rate decided upon by the management of the North Carolina Cotton Growers' Cooperative Association, Raleigh, N. C., as the first advance to growers. This rate may be changed from time to time during the season as the price advances or declines.

Members must decide when delivering cotton whether they want to have it placed in the seasonal pool and handled in the usual way, receiving the average price for the season, or whether they want to have it placed in the optional pool and be able to direct the sale themselves, receiving the price of the cotton at the time of sale.

On all cotton placed in monthly pools a provisional settlement will be made on the last day of the month, at the average net sales price for middling, seven-eighths inch cotton for the month, with due allowance for better or poorer grades. After a deduction to cover operating expenses and carrying charges, a check for 90 per cent of the net sum will be mailed to the member. The ten per cent will be withheld until the close of the season for financing purposes.

During the present month the association is repaying to its members the deductions for the reserve funds for 1923, 1924 and 1925. The 1922 reserve fund has already been returned.

The association is offering members an opportunity to invest all or part of their equities in these funds in Investment Reserve Fund Certificates, issued by the association in units of \$10 and bearing 6 per cent interest. These certificates are non-taxable and negotiable. They are payable on the first day of August of any year either at the option of the holder or the association.

STATUS OF DARK TOBACCO MARKETING PROGRAM

Loans from banks to the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky., were reduced by \$3,235,421 during the 20 months from November 1, 1925, to June 30, 1927, according to a recently issued statement by the management. At the same time all current expenses were met, including payments on warehouses, insurance, taxes on tobacco, etc. In addition the association still holds 34,174,285 pounds of tobacco out of the 75,703,655 pounds on hand when the present management became active on November 1, 1925. The 41,529,370 pounds of tobacco disposed of during the 20 months was sold largely to foreign buyers through the association's representative in London. Direct sales are being made in 13 foreign countries.

It is estimated that the association's present indebtedness on old tobacco amounts to less than $2\frac{1}{2}$ cents a pound.

Plans are being matured for the reorganization of the association. A new marketing contract is to be submitted to the membership and if enough members accept the contract, a new association will be created.

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BURLEY TOBACCO ASSOCIATION MAKING FINAL PAYMENT

Announcement is made by the management of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., that final payments for the tobacco pools of 1923, 1924, and 1925 will be made as soon as the necessary clerical work can be completed, the last of the tobacco for those years in the hands of the pools having been sold. Within one month recently more than 71,000,000 pounds of tobacco was sold, leaving less than 2,000,000 pounds of the redried leaf of the old crops which has since been sold. The final payment on the 1924 crop will amount to between six and seven million dollars.

The new contract to be submitted to the growers in the near future will be for seven years, including the crops of 1927 and 1933.

In response to invitations from the management, delegations of growers have been visiting the headquarters office of the association during the past few months and studying the methods employed in handling the business of the large organization.

During the term of its first contract the association has sold for its members approximately one billion pounds of tobacco at prices which have brought the average close to 20 cents a pound, according to a statement by the management.

INCREASED EGG SALES BY PRODUCERS' AGENCY

Egg sales by the Pacific Egg Producers' Cooperative, Inc., New York City, have increased more than fivefold since its organization, January 16, 1922. Sales for the first year of operation were only a trifle over \$2,000,000 while sales for 1926 amounted to more than \$11,000,000, as will be noted below:

Year	Egg Sales	Relative
1922	\$2,007,848	100
1923	3,342,158	166
1924	5,104,488	254
1925	8,225,421	410
1926	11,307,967	563

The association is the eastern sales agency for several Pacific Coast cooperative poultry and egg marketing associations. It handles about 50 car loads of Pacific Coast eggs a week.

A monthly publication is issued under the title of The Cackler.

A subsidiary corporation, the Sunrise Egg Producers, Inc., is marketing eggs in 12 foreign countries.

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MORE CALIFORNIA POULTRYMEN ARE SELLING COOPERATIVELY

Ten per cent more eggs were delivered to the Poultry Producers of Central California, San Francisco, in the first six months of 1927 than in the corresponding period of 1926, the figure for this year being 573,605 cases.

In the six months the association received 574 new members who owned 473,489 hens. This was 242 more members than came into the association during the first six months of 1926, and these new members owned 191,485 more hens than the new members who came into the association last year. After deducting the number of members who withdrew from the organization and who went out of the poultry business, the net gain in membership stood at 413. The member of hens owned by the membership on June 30, 1927, was approximately 3,660,000, an increase of about 535,000 since July 1, 1926.

Shipments of eggs to Eastern markets for the period amounted to 266,754 cases, compared with 192,180 cases last year, an increase of 30 per cent.

Sales in the feed department amounted to 25,146 tons, with a selling value of \$1,222,419, an increase of approximately 30 per cent over the first six months. The new mill at Stockton was completed in March and has been working long shifts ever since to keep up with orders, while the Petaluma mill has been working practically on a double shift basis.

LOUISIANA FARM BUREAU BUYS GOODS FOR MEMBERS

Fertilizers, seeds, insecticides, and supplies of various kinds handled by the Louisiana Farm Bureau Selling Exchange, Baton Rouge, for the year ending June 30, 1927, amounted to \$594,106. A few of the largest items in the list were as follows: 3,389 tons of nitrogenous fertilizers, \$198,439; 11,108 tons of acid phosphate, \$162,638; 81 cars of certified seed potatoes, \$129,935; 37 cars mixed feed, \$37,410; 303,800 pounds calcium arsenate, \$24,677; potato bags, \$5,753; and many other lines in smaller amounts. Figures showing the total business for each of the past five years are as follows: 1922-23, \$211,920; 1923-24, \$794,086; 1924-25, \$708,442; 1925-26, \$909,558; 1926-27, \$594,106.

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EASTERN STATES EXCHANGE REPORTS BIG ORDERS

Large increases in feed orders are reported by the Eastern States Farmers' Exchange, Springfield, Mass. For the year ending May 31, 1928, the Exchange has received 7,000 orders calling for more than 100,800 tons which is nearly 15,000 tons more than in 1926 and 28,000 tons more than in 1925.

Many of the contracts are large, more than 200 being for quantities of more than 50 tons, but the average for all the orders is 14 tons. The three largest orders are for 300 tons, 200 tons, and 178 tons, all from dairymen who are interested in producing market milk economically. Poultrymen, general farmers, and state and county institutions are also among those who have placed orders.

For those needing fall fertilizers, the Exchange has selected four high analysis mixtures which are recommended to suit different purposes and varying conditions. All other formulas have been discontinued but ingredients for home mixing are still offered.

In response to demands from the membership the Exchange is now handling asphalt roofing compounds, both the asphalt plastic cement and asphalt liquid cement, in addition to house and barn paints. Heavy creosote oil for treating posts has also been added to the list of commodities.

Some 250 members of the Exchange in Carroll County, N. H., are purchasing seed, feed and fertilizer through their local county organization. The business is handled through a number of local agents who book the orders and notify the farmers when the car arrives. Each farmer comes to the car door for his quota and pays cash for his purchase. The business is around 65 car loads of grain a year. In 1925 it amounted to \$70,000 and in 1926 to \$75,000.

BUYING ASSOCIATION IN NEW YORK PROSPERS

Since its organization in June of 1914 the Germantown Cooperative Association, Inc., Germantown, N. Y., has been serving its members as a purchasing agency for farm supplies. Among the commodities handled during the business year ending December 31, 1926, were feed and seed, fertilizers, spraying materials, fruit packages, barrels, gas, oils and grease, tires and tubes, hardware, store merchandise, coal, and fruit.

The gross earnings for the year amounted to \$19,960 and the net earnings to \$4,087. Fixed assets at the close of the year were placed at \$4,087 and net worth at \$16,912.

Sales for the year were as follows:

Fruit	\$71,573
Seed and feed	24,771
Sprays and fertilizers	22,390
Fruit packages	23,096
Barrels	30,297
Gas, oils and grease	2,254
Tires and tubes	318
Hardware	5,340
Store merchandise	1,125
Coal	20,403

Volume of business handled by the association increased annually for the first seven years of the life of the association, since then it has varied from less than \$175,000 in 1925 to \$366,054 in 1921, as will be noted by the following figures:

Year*	Business transacted	Number of shareholders	Share capital outstanding	Dividends paid
1914	\$ 67,714	72	\$ 536	\$1,022
1915	129,754	108	880	none
1916	162,681	126	2,900	4,069
1917	195,930	166	6,220	3,652
1918	290,054	186	7,570	7,014
1919	414,218	210	11,650	8,649
1920	527,634	240	22,350	16,810
1921	366,054	265	24,205	none
1922	282,457	272	24,710	1,123
1923	275,907	273	24,695	none
1924	187,098	273	24,735	none
1925	163,822	280	26,385	1,470
1926	203,142	280	26,385	none

*Ending December 31.

CERTIFICATES OF MEMBERSHIP HELD NON-TAXABLE

The Kansas Wheat Growers' Association and the Kansas Cooperative Wheat Marketing Association were both called upon to pay a tax of 5 cents on each certificate of membership issued by them. The demand was made under the following provision of the Federal Revenue act: "Capital stock issued: On each original issue, whether on organization or reorganization, of certificates of stock, or of profits, or of interest in property or accumulations, by any corporation, on each \$100 of face value or fraction thereof, 5 cents." Comp. St. 6318 p.

The associations paid the tax and then successfully sued Motter, Collector of Internal Revenue, for the return thereof. (14 F. (2d) 242)

In the opinion the court said:

The question presented is: Are the plaintiff associations, as organized under the laws of this state, liable to pay the stamp tax ordained in the above act on the certificates issued to members for the purpose of designating the membership?

.....

It is the contention of plaintiffs the certificates by them issued have no monetary value, but are mere evidence of membership in the association, showing merely those who are entitled to participate in its affairs. Before any member has anything of monetary value in the hands of the association, he must not alone have become a member, as shown by certificate of membership, but must further have delivered wheat to the association; that two or a dozen certificates of membership in the association are of no more actual worth or value than is one. In this view of the matter many excerpts from the act under which plaintiffs are associated together are quoted and relied upon by counsel for plaintiffs.

....Then, as the certificates of membership have no monetary value, how it may be contended that they are certificates of profits in the association, or are certificates of an interest in accumulations of the association, it is difficult to comprehend, more than is a certificate of membership in a church which owns a house for public worship.

....Taking the entire act under which plaintiffs are associated together, as construed by the Supreme Court of this state, and the language of the act under which the taxes were laid against plaintiffs in this case, I fail to find any justification for the taxes imposed and collected from plaintiffs.

L. S. Hulbert.

MEMBERSHIP ENDED WITHOUT LIABILITY

Recently the Supreme Court of Stanislaus County, California, decided the case of Harry E. Watson v. Milk Producers' Association of Central California. The suit involved a by-law of the association, which reads as follows:

No person shall be or remain a member of the association unless he is a bona fide milk producer, nor unless he shall market all of the milk, cream, butter, cheese and other dairy products, which he desires to market or dispose of through the facilities provided by the association; and if any member shall cease, fail, neglect, or refuse for any reason whatsoever to market the whole of such milk, cream, butter, cheese and other dairy products through such facilities, then his membership shall ipso facto cease and determine, and his certificate and his membership in the association, and all of his right, title and interest therein, shall be by that act cancelled and such member shall not, nor shall anyone in his behalf, be entitled to any appraisement or interest in the property or good will of the association, nor for the return of any part or portion of the membership fee paid or payable by such member to the association.

Watson had ceased to be a member of the association and brought suit against it to recover a bonus of 2 cents per pound, his membership fee, and his interest in the property of the association and its good will. The association claimed and the court found that Watson had ceased to be a member of the association because of the ipso facto provision of the by-law. The court held that the by-law was valid and that Watson could recover nothing.

L. S. Hulbert

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IMPORTANCE OF MINUTES OF MEETINGS

The minutes of meetings of an association should tell the story of action taken at such meetings by members respecting its affairs. Likewise, the minutes of meetings of a board of directors of an association should tell the story of action taken by the board respecting association business. In the absence of charter or statutory provisions, it is not necessary that the acts of an association, of its officers, or its board of directors be evidenced by any writing if it would not be necessary to do so in the case of an individual. Although generally, from a strictly legal standpoint, it is not necessary that minutes of meetings of an association or of its board of directors be kept, it is highly important that this be done.

All action taken by members of an association in the meetings thereof respecting its affairs should be recorded in the minutes of the association. The action taken by directors of an association at a meeting of the board of directors should be recorded in the minutes of the board.

The board of directors of an association possesses all the corporate powers of the association. Within the scope of the powers conferred by the charter of the association, the directors direct and manage its affairs. The execution of the orders or the carrying out of the policies fixed by the board of directors is done by the officers and employees thereof. Officers of an association, by reason of their office, or employees, by reason of their employment, regardless of their rank, have no authority to bind the association. Such authority must be found in action of the boards of directors. Herein lies the chief importance of minutes of boards of directors.

Banks, before loaning money to an association, frequently, if not generally, inquire if the officers have been authorized by the board of directors to borrow money. Generally a copy of the minutes of the board of directors, covering the matter, is requested. This is, of course, done to see if the board of directors has authorized the proposed action or has imposed any restrictions with reference thereto, for it will be constantly remembered that an association may act only through agents, and persons dealing with an agent act at their peril and if it should turn out that the agent, whether he be president, secretary or manager, was not authorized to enter into the contract in question on behalf of the association or to engage in any other transaction as its representative, the association is not bound in the absence of estoppel or ratification. On the other hand, if the minutes of a meeting of the board of directors show that the officer was authorized to enter into a certain transaction, such minutes are virtually conclusive on the subject in the absence of fraud, thus protecting the officer representing the association in the transaction, as well as the other party thereto.

In a court proceeding the minutes of an association or of its board of directors are competent evidence to show action taken by them; that is to say, if a question arose as to whether the board of directors had authorized certain action, the minutes ordinarily would be the best evidence on the subject. If no minutes of a meeting of the board of directors were kept, then it is established that oral testimony may be offered in a court proceeding to show action taken by the board. Indeed, if minutes of a board meeting were kept, but no reference was made therein to a particular matter, oral evidence may be introduced to show action taken thereon. The failure to enter a resolution in the minutes at the time it was adopted does not affect its validity.

L. S. Hulbert.

COPIES OF PUBLIC ADDRESSES WANTED

Copies of public addresses bearing upon the subject of cooperative marketing or purchasing are desired for the collection of source material which has been established by the Division of Cooperative Marketing, Washington, D. C. Cooperators whose addresses have been printed are urged to send copies for this collection, and so far as possible to send two copies of each address. These speeches will be indexed and will be available to historians, magazine writers, students of economics, and others who may be interested.

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MUTUAL LIABILITY INSURANCE

Mutual compensation insurance is furnished for managers and employees of creameries, cheese factories and livestock shipping associations in Minnesota by the Mutual Creamery and Cheese Factory Liability Insurance Company. In addition to money payments, the company provides doctor's care, hospital and medical attention, if needed. Policies are written for five years with provisions for assessments when necessary, thus giving insurance at cost.

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SHORT-TIME GRAIN INSURANCE IN OKLAHOMA

Short-term insurance on grain is offered by the Farmers' Union Mutual Insurance Company, Oklahoma City, Okla., to farmers who wish to hold their grains for six to nine months and do not want to pay the premium for a full year. A rate of 25 cents per hundred for six months or less has been arranged, or 37½ cents for nine months. Six months is the shortest period for which grain will be insured.

This company was organized January 1, 1922, with 248 policyholders. To-day it has more than 7,000 policyholders and is carrying risks of more than \$7,000,000. It insures against fire, lightning and damage by tornado. During the first half of 1927, 512 losses were paid.

REPORTED BY THE ASSOCIATIONS

Wheat growers in the Union of South Africa held a meeting July 8, 1927, to consider the advisability of forming an association for co-operative marketing.

All-day schools in cooperative marketing are being planned by the Oklahoma Cotton Growers' Association, Oklahoma City. The first school held at Altus, Okla., August 18, was attended by about 125 farmers. Agricultural college men and field service men of the cooperative association were the principal speakers.

In an effort to reduce handling costs to the minimum the California Peach and Fig Growers' Association, Fresno, Calif., announces that it will operate but four plants the present season, two for peaches and two for figs. The concentration of activity at four plants will reduce the number of employees required to receive and handle fruit.

A recent report from the Illinois Farm Supply Company, the state cooperative engaged in purchasing gasoline, kerosene and lubricating oils for the local cooperative oil stations, indicates that 170 car loads of oil were handled in three months. Twelve local associations are affiliated with the state organization and six more locals are in process of organization.

The first of a proposed string of country grain elevators has been acquired by the Minnesota Wheat Growers' Cooperative Association, Minneapolis. This elevator is located at Rothsay, Minn., and has bin space for 25,000 bushels of grain. Other elevators will be acquired as the authorized elevator reserve increases in amount and favorable points are discovered for operating pool elevators.

Local meetings under the auspices of the Colorado Bean Growers' Association, Denver, are to be enlivened by the use of motion pictures, a portable projector having been acquired for that purpose. A warehouse with storage space for 85 car loads of beans has been secured by the association for use in connection with its 1927 marketing program. It is proposed to have the warehouseman licensed by the Federal Government in order that approved warehouse receipts may be issued.

Following the holding of 20 meetings with the membership of the Milk Producers' Association of Central California, Modesto, the management decided to install equipment to make evaporated milk. From 50 to 150 members attended these meetings, and in every instance the plans for entering upon the manufacture of evaporated milk were approved. At present this cooperative enterprise is engaged in making creamery butter, about 6,000,000 pounds being produced annually.

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